



## Submission to the Queensland Organised Crime Commission of Inquiry

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## **Submission to the Queensland Organised Crime Commission of Inquiry by Assistant Professor Terry Goldsworthy and Adjunct Teaching Fellow Laura McGillivray.**

In response to a request from the Executive Director of the Commission we would make the following submissions. We will provide my responses as they relate to each term of reference.

### **1. The high threat illicit drug and/or precursor markets, including but not limited to methylamphetamine, cocaine, heroin, drug analogues and new psychoactive substances, 3, 4 - Methylenedioxymethamphetamine and cannabis;**

In our submissions we shall limit our discussions to Methylamphetamine, in particular crystal meth or “ice”. Ice has been the subject of much scrutiny in recent times and concern is growing among Australian authorities. The Victorian parliament held an inquiry in 2013-14 into ice’s impact in the state and the government recently released an “Ice Action Plan” in response (Parliament of Victoria, 2014) . According to the 2013 National Drug Strategy Household Survey (NDSHS), 7 per cent of Australians aged 14 and above reported using amphetamine or methylamphetamine at least once in their lifetime and 2.1 per cent reported recent use (Australian Institute of Health and Welfare, 2014). This has remained consistent with the 2010 figures (Australian Institute of Health and Welfare, 2014) .

What has changed, and significantly so, is the type of methylamphetamine Australians are using. Users now prefer crystal methylamphetamine. This produces more powerful physical and psychological reactions than powder forms of the drug. Users of powder forms decreased from 51 per cent to 29 per cent while ice use more than doubled from 22 percent to 50 percent between 2010 and 2013. The National Drug and Alcohol Research Centre findings from 2014 support this conclusion (McKetin, McLaren, Kelly, Hall, & Hickman, 2005).

The NDSHS reported that (Australian Institute of Health and Welfare, 2014) :

- 7 per cent of the Australian population over 14 years of age reported at least one episode of amphetamine or methylamphetamine use in their lifetime, with 2.1 reporting recent use.

- The only major change in general usage patterns is the form of the drug used. Ice is now overwhelming the preference of users with the reported use of ice doubling from 22 to 50 per cent and speed decreasing from 51 to 29 per cent in 2013.
- Frequency of use has also increased, with a greater proportion reporting daily or monthly use of ice (more than doubling from 12.4 per cent to 25.3 per cent in 2013).
- 30-39 year olds remain the most likely age group to have ever used amphetamine/methylamphetamine in their lifetime and 20-29 year olds account for the greatest proportion of recent users.
- Although meth/amphetamine use has been declining for over a decade, recent trends reveal that use has remained stable between 2010-13 at 2.1 percent. Similarly, usage trends across age groups and sexes have remained stable.

The NDSHS also identified both demographic and SES factors found to increase the likelihood of usage (Australian Institute of Health and Welfare, 2014):

- Those living in remote and very remote regions were more than twice as likely to use methylamphetamines than those in major cities.
- Lower socio-economic status was indicative of increased methylamphetamine use (2.2per cent compared with 1.8per cent in higher socio-economic regions).
- Between 2010-13 homosexuals/bisexuals have increased their use of methylamphetamine to significantly more than heterosexuals. This may have implications regarding risky injecting practices and the increased potential for blood-borne viruses.
- Methylamphetamine use is 2.4 per cent more prevalent in unemployed populations – higher than both cannabis and ecstasy – when compared with employed people.
- When compared with other common illicit drugs, methylamphetamine s were identified by NDSHS respondents as the drug which causes users the greatest level of high/very high psychological distress. Similarly, recent (in the last 12 months) methylamphetamine users were the most likely drug users to be diagnosed or treated for mental illness; this increased from 2010-13.

The harms associated with methylamphetamine (particularly using ice and injecting behaviours) and the nature of dependence has contributed to the drug's notoriety. These harms are both short-term and long-term and are often dependent on the form of the drug, method/route of administration and usage levels.

The most common routes of administration of methylamphetamine include smoking and injecting. Both of which are more strongly linked with developing dependence as compared with snorting or swallowing administration (Rawson, 2013). Short-term harms associated with methylamphetamine use can include anxiety, paranoia, panic, teeth grinding, high blood pressure, rapid heartbeat/palpitations, itching, disturbed sleeping and aggressive tendencies. Potentially fatal harms can include stroke, seizures and heart attacks (Panenka et al., 2013) (Rawson, 2013).

Longer-term effects can include organ damage, cognitive impairments, psychosis and increased risk of contracting blood borne viruses (Darke, Kaye, McKetin, & Duflou, 2008) (Cruickshank & Dyer, 2009) (Panenka et al., 2013) (Rawson, 2013). There is a stronger likelihood of 'ice' or crystal methylamphetamine users developing drug

dependence as compared with powder or base form users (Cruickshank & Dyer, 2009). (Cruickshank & Dyer, 2009). This dependence has been observed as both chronic and bingeing behaviours and can be characterised by withdrawal symptoms (Rawson, 2013).

Methylamphetamine dependence is characterised by continued use, despite obvious short and long-term harms (Lee et al., 2007). Dependent users have been found to be four times more likely to report moderate to severe mental health functioning impairment as compared with non-dependent users and almost half reported a previous diagnosis of drug-induced psychosis (Wallace, Galloway, McKetin, Kelly, & Leary, 2009).

Polydrug use significantly increases the risks associated with methylamphetamine use. Specifically, the concurrent use of cannabis, alcohol and/or anti-depressants significantly increased the likelihood of psychotic symptoms in methylamphetamine users (McKetin, Lubman, Baker, Dawe, & Ali, 2013) (Wallace et al., 2009).

Wantanabe-Galloway, Ryan, Hansen, Hullsiek, Muli & Malone (2009) identified a variety of risks associated with methylamphetamine use which extend beyond the individual user to include damage on family and social relationships. Two such consequences included the increased chance that using parents will come to the attention of child protective services and/or that families will experience violence.

### **The market**

The Australian Crime Commission (ACC) report into the methylamphetamine market in Australia makes for grave reading (Australian Crime Commission, 2015a). It reveals that more drugs are coming into Australia and certain forms of drug usage are increasing. Further, a variety of crime groups are playing a role in the drug trade (Australian Crime Commission, 2015a).

From some specific data out of this report some conclusions can be drawn. ACC data indicates that detections of ATS clandestine laboratories increased 11.7% in 2013-2014, this was following a decrease in detection 2012-2013 of 1.4% (Australian Crime Commission, 2015b). The weight and number of precursor material being detected at the border has also decreased in 2013-2014. The weight of precursor detections has now decreased for 3 years in a row, the number has decreased for the last two years (Australian Crime Commission, 2015b). Conversely, the number of amphetamine-type substances (ATS) detections at the Australian border continue to increase (Australian Crime Commission, 2015b).

Most recently, the 2013-14 ACC Illicit Drug Data Report identified ATS as an outstanding problem domestically and at the border, finding that (Australian Crime Commission, 2015b):

- The number of ATS (excluding MDMA) detections at the Australian border has increased to 2,367 in 2013-14, the highest on record. The weight of these detections is the second highest despite the overall decrease.
- ATS detections were identified in most forms of importation, with international mail and air cargo the most common methods.

- China remains the key embarkation point for ATS (excluding MDMA), followed by Hong Kong, Mexico, US and Canada. All of which accounted for over half (55.4 percent) of imported ATS detected in the reporting period.
- The number of national ATS seizures and arrests are the highest in record in this reporting period.
- Nationally ATS remain the most commonly produced drugs in clandestine laboratories with the majority of 744 detected labs manufacturing ATS. The number of these ATS lab detections has increased from 544 in 2012-13 to 608 in 2013-14. Comparatively, 3 MDMA labs were detected in this same recent period.
- For over a decade, Queensland has accounted for the majority of these labs and ATS labs have been the most commonly detected labs in every state and territory across Australia.
- The majority of clan labs remain in residential areas and are considered addict-based, however illicit drug manufacture also includes some medium to industrial scale labs.

Significant border detections of ATS (excluding MDMA) in 2013–14 continue to be dominated by ice (Australian Crime Commission, 2015b, p. 29):

**Table 1: Significant border detections of ATS (excluding MDMA) in 2013-14 (Australian Crime Commission, 2015b, p.29)**

<b>Drug Type</b>	<b>Amount (kilograms)</b>	<b>Date of detection</b>	<b>Method</b>	<b>Route</b>
<b>Crystal methylamphetamine</b>	203.2kgs	26 September, 2013	Concealed in truck tyres, via sea cargo	China → Brisbane
<b>Crystal methylamphetamine</b>	183kgs	4 February, 2014	Concealed in sea kayak hulls, via sea cargo	China → Sydney
<b>Crystal methylamphetamine</b>	56kgs	22 July, 2013	Concealed around engines, via sea cargo	United States → Melbourne
<b>Crystal methylamphetamine</b>	48.9kgs	24 June, 2014	Concealed in machinery, via sea cargo	China → Sydney
<b>Crystal methylamphetamine</b>	39.8kgs	10 April, 2014	Concealed in metal vat, via air cargo	Mexico → Sydney

This suggests that the outstanding threat is increasingly coming from abroad. Small-time Australian players are growing reliant on Transnational Organised Crime (TOC) groups. The ACC's Illicit Drug Data Report flags increased seizures, border detections and associated arrests for ATS (excluding MDMA) at record highs, with specific concern for the increases in methylamphetamine seizures (Australian Crime Commission, 2015b). The United Nations Office of Drugs and Crime (2014) World Drug Report stated that:

*For the second year, ATS seizures reached an all-time high of 144 tons, up 15 per cent from 2011, due in large part to increases in methamphetamine seizures.*

*Over the past five years, methamphetamine seizures have almost quadrupled, from 24 tons in 2008 to 114 tons in 2012.*

Developing a clearer picture of the nature, prevalence and culture of methylamphetamine (also commonly referred to as methamphetamine) use in Australia is the first step to better understanding these drugs from a user and community perspective which will better inform state and federal responses.

Table 2: Number and weight of ATS and ice detections at the Australian border, 2011–12 to 2013–14. <sup>1</sup>						
	Detections (number)			Weight (kg) <sup>a</sup>		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
<b>Ice</b>	171	1,084	1,379	160.20	1,446.24	1,435.36
<b>Other ATS<sup>b</sup></b>	907	915	988	187.39	692.30	376.98

The ACC (2015b) assessed the methylamphetamine market to be the highest risk drug market in Australia. There are three forms of the drug observed including: powder ('speed'), base and crystalline ('ice'). Previously this market has been predominately domestic; however significant increases in detections of ice at the border suggest a greater presence of international players in this illicit market. The number and weight of ice detections at the border has grown considerably greater than other ATS detections.

The ACC report indicates that transnational organised crime involvement in high-volume precursor importation and trafficking remains at high levels (Australian Crime Commission, 2015a). Concern about illicit importations concealed by legitimate markets is clear, particularly from a law enforcement perspective.



Figure 1: Functional levels of drug trafficking (Abadinsky, 2013)

When talking about the groups that are involved in the drug trade it is important to look at the business of drugs. The business of illegal drugs shares some elements with the business of selling legal products. Common features include lots of working capital, a steady supply of raw materials,

<sup>1</sup> a. Weight shown in the above table is an estimate. Weight is calculated using 0.29 grams per tablet where a weight was not available. Some small-quantity shipments of ATS do not have a weight recorded.

b. Includes amphetamines and methylamphetamine in liquid, capsule, paste, powder or tablet form. Figures do not include MDMA or crystalline methylamphetamine (ice).

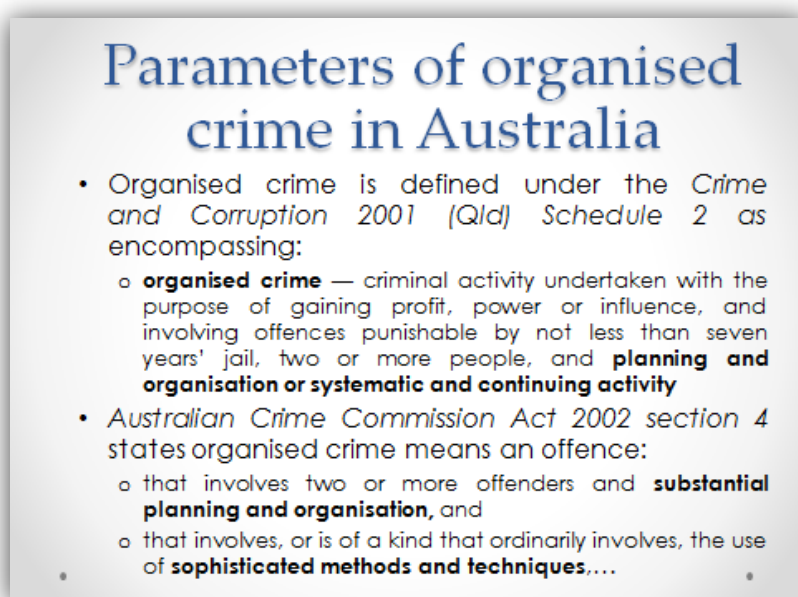
manufacturing facilities, reliable shipping and distribution and marketing networks (Abadinsky, 2013). But it is knowing what criminal networks are operating, and at what level that is the key to an effective law enforcement response.

### OMCGs and the drug markets

Various governments in Australia have made much of the role of outlaw motorcycle gangs (OMCGs) and their involvement in the methylamphetamine trade. Tellingly, in the ACC (2015a) report on the methylamphetamine market they rate only two mentions: one is as a part of the wider criminal gang picture; the other as a case study for involvement in the drug trade in a small rural Victorian town. Nowhere was the critical evidence of their dominance of this particular drug market put forward, despite what many law enforcement agencies have been claiming in recent years.

In determining what the role is of various groups with the criminal marketplace it is worth going back to a legislative grounding to define what we class as organised crime. Both the *Crime and Corruption Act (Qld)* and the *Australian Crime Commission Act* define organised crime and its elements.

International policing organisation Interpol frames its discussion of organised crime in terms of criminal activity (INTERPOL, 2015):



**Parameters of organised crime in Australia**

- Organised crime is defined under the *Crime and Corruption 2001 (Qld) Schedule 2* as encompassing:
  - **organised crime** — criminal activity undertaken with the purpose of gaining profit, power or influence, and involving offences punishable by not less than seven years' jail, two or more people, and **planning and organisation or systematic and continuing activity**
- *Australian Crime Commission Act 2002 section 4* states organised crime means an offence:
  - that involves two or more offenders and **substantial planning and organisation**, and
  - that involves, or is of a kind that ordinarily involves, the use of **sophisticated methods and techniques**,...

Figure 2: Parameters of organised crime in Australia

*Organised networks are typically involved in many different types of criminal activity spanning several countries. These activities may include trafficking in humans, illicit goods, weapons and drugs, armed robbery, counterfeiting and money laundering.*

The UN Convention against Transnational Organised Crime (2004) suggests that organised crime groups have a number of elements (United Nations Office on Drugs and Crime, 2015). These include:

- A group of three or more persons that was not randomly formed
- Existing for a period of time
- Acting in concert with the aim of committing at least one crime punishable by at least four years' incarceration.

The motive behind any group is to obtain, directly or indirectly, a financial or other material benefit. The ACC report on the Australian methylamphetamine market



outlines the following crime groups as being active in the meth market (Australian Crime Commission, 2015a, p. 11):

*...Members of Australian-based outlaw motorcycle gangs, Australian organised crime groups as well as persons of Middle Eastern, Eastern European and West African backgrounds, and Vietnamese, Chinese, Canadian, US and Mexican serious and organised crime groups.*

Since 2013, Queensland has been targeting crime committed by OMCG members. Earlier this month, South Australia proposed similar laws to Queensland's. State Attorney-General John Rau argued that these laws target organised crime (ABC News, 2015). However, a snapshot of OMCG organised crime activity in Queensland may suggest that too many resources are being devoted to what could be best described as low-level players.

Data obtained from the Queensland government under *Right to Information* legislation shows that bikie gang members were found guilty of 4323 criminal charges between April 2008 and April 2014. In the same period, 2,537,223 total offences were reported to police. This means that bikie gang members were found guilty of 0.17 percent of reported Queensland offences. Queensland Police list bikie activity being responsible for 0.6 per cent of all reported crime (Queensland Police Service, 2015).

**Table 3: Organised Crime Activity of Queensland Outlaw Motorcycle Gangs April 2008 – April 2014 by count and as a percentage of overall reported crime.**

Type of Crime	Number of OMCG related offences	Total Queensland offences	Percentage
<b>Extortion</b>	0	367	0
<b>Drug Trafficking</b>	21	2153	0.9
<b>Murder</b>	3	294	1.0
<b>Fraud</b>	69	106316	.06
<b>Unlawful possession of weapons/supply</b>	147	23249	0.6
<b>Robbery</b>	17	10963	0.1
<b>Production of dangerous drug</b>	40	10085	0.3
<b>Prostitution</b>	0	1230	0
<b>Supply of dang drug</b>	41	15558	0.2

The picture of being dominate organised crime players does not overly improve when organised crime-type offences are considered. Bikie gang members' involvement is insignificant in totality. Money laundering has rightly been considered as being at the centre of organised crime, yet not one charge of money laundering was proven against a bikie gang member in six years in Queensland. Most of the crime that bikie gang members committed simply does not fit the nature of organised crime offences



### **Alternatives to the arrest mentality**

Whilst much focus has been on law enforcement responses to dealing with the drug problem, it is worthwhile to examine other approaches to fighting the scourge of drugs and the positive impact they could have on fighting organised crime. This is especially so in light of the admission this week by the acting head of the Australian Federal Police that “...you can’t arrest your way out of this problem” (Box, 2015).

*Mr Phelan pointed to the success of the National Illicit Drug Strategy, launched under the Howard government in response to the heroin crisis of the 1990s. This initially dedicated an equal amount of federal spending — about \$44 million — to both law enforcement and education, and about \$30m to community treatment and research. (Box, 2015)*

Increasingly, harm reduction (also known as harm or risk minimisation) strategies are being favoured over exclusively punitive supply-reduction approaches to drug use domestically across Australia and further abroad. The International Harm Reduction Association (2015) defines harm reduction by its aims to as the “reduce the adverse health, social and economic consequences of the use of legal and illegal psychoactive drugs without necessarily reducing drug consumption”. The IHRA identify that features of harm reduction are framed within a human rights perspective as it focuses on the prevention of harm, rather than the prevention of drug use in those who continue to use.

Harm reduction allows for input from a variety of theoretical perspectives to inform interventions, rather than being bound to one course of action. The view has been advocated across a variety of disciplines including psychology, nursing and social work because it is a form of health promotion whereby working to reduce drug-related harms simultaneously promotes health and wellbeing (McVinney, 2008). Therefore, given the growing intersection between these disciplines, services and methylamphetamine users, harm reduction appears to promote relevant and viable strategies.

Harm reduction has been found to be particularly effective in preventing HIV in injecting drug users. With the increase in crystal methylamphetamine or ‘ice’ users and therefore exposure to BBVs such as HIV, improving harm reduction services across Australia is a viable approach because it has proven to be successful, safe and cost-effective (Wodak & Maher, 2010) (World Health Organisation, United Nations Office on Drugs and Crime, & United Nations Programme on HIV/AIDS, 2009). This joint WHO, UNODC and UNAIDS (2009) review into needle and syringe programs (NSPs) concluded with the recommendation that countries affected or threatened by HIV and other BBVs among injecting drug users should rapidly establish and expand NSPs as a viable response to the problem. Similarly, early data from the War on Drugs suggest that policies which deny injection equipment and income support for injecting drug users will increase their risk of contracting HIV and therefore must be reconsidered from a public health perspective (Bluthenthal, Lorvicka, Krala, Erringera, & Kahna, 1999).

The evidence of the effectiveness of harm reduction strategies is compelling and substantial. Firstly, one strategy rooted in harm reduction principles is opioid substitution (such as methadone) treatment programs which have been found to

substantially reduce drug injecting and therefore equipment sharing (Sullivan, Metzger, Fudala, & Fiellin, 2005) (Serpelloni et al., 1994).

Currently being considered is one such similar approach which targets methylamphetamine users. The administration of gelatine capsules is an intervention inspired by the user practice of wrapping methylamphetamine in plastic and swallowing it (referred to as ‘parachuting’). Early research suggests this could be a useful, low-cost supplement to existing harm reduction services which aims to reduce risky injecting behaviours (Mravčík, Skarupová, Orlíková, & Zábanský, 2011). While such approaches need to be explored and tested in far greater detail, the focus on harm reduction is key as is evidenced by the ineffectiveness of other more punitive approaches such as a drug market disruption.

Drug law enforcement remains a major beneficiary of government resources in Australia and overseas, however is comparatively less effective, more expensive and can have more serious negative consequences than harm reduction strategies (Wodak & Maher, 2010). There is mounting evidence to suggest that vigilant drug law enforcement can inadvertently increase risks to injecting drug users (Wodak & Maher, 2010). Much of this evidence in Australia is based on the experience with heroin and analysis of drug trends during periods of tight law enforcement.

During 2000/2001, heroin users across Australian capital cities (particularly Sydney) reported sudden and significant reductions in the availability of heroin (Topp, Day, & Degenhardt, 2003). This appeared to have been caused (at least in part) by drug law enforcement. While this ‘drought’ period saw a decrease in the rate of heroin related overdose and dramatic increases in the price of the drug, some suggest that such benefits are offset by an increase in the use of other drugs such as cocaine and other stimulants (Weatherburn, Jones, Freeman, & Makkai, 2003) (Topp et al., 2003). Anecdotal evidence from Sydney ice users featured on the Four Corners program ‘The Ice Age’ suggest that injecting stimulants became their preferred drug after the heroin shortage because it was available, cheap and effective (2006). Groves and Marmo (2009) attribute the shift toward methylamphetamines in Australia to: the reduced availability of heroin, cocaine and amphetamine sulphate; and the increased awareness and control from law enforcement on the importation and distribution of these substances.

A growing body of literature indicates that interrupting the drug market through enforcement has detrimental public health and social impacts, including: disrupting the provision of health services to injecting drug users; increasing risky injecting behaviours exposing users to infectious diseases and overdose; and exposing previously unaffected communities to the harms associated with illicit drugs (Kerr, Small, & Wood, 2005) (Maher et al., 2007) (Bluthenthal et al., 1999).

Harm reduction through health education is considered a more beneficial, safe and effective approach to reducing the demand for illicit drugs like methylamphetamine, or at best reducing associated risky behaviours. Education is fundamental for those drug users who are unlikely to cease use because it enables harm reduction to the user and the wider community. It encourages safer injecting and drug-taking practices and increases user exposure and access to much needed health services. Although there is yet to be rigorous evidence that education injecting drug users about HIV or associated drug issues helps to reduce the spread of such infections, it is considered a

plausible and inexpensive strategy (Wodak & Maher, 2010). Evidence from US trials indicates behavioural interventions such as peer-education programs are proving beneficial for reducing the risk of HIV and hepatitis C acquisition (Garfein et al., 2007) (Latka et al., 2008).

Maclean, Harney and Arabena (2015) summarised a variety of possible responses to methylamphetamine use including both strategies with a strong body of evidence supporting them and approaches with limited evidence but potential for successful intervention:

<b>Table 4: Responses to methamphetamine use (Maclean, Harney and Arabena, 2015)</b>	
<b>Strongest evidence: psychosocial interventions supported by findings of multiple randomised trials and/or longitudinal studies</b>	
<ul style="list-style-type: none"> <li>• Cognitive behaviour therapy (CBT) has demonstrated effectiveness in assisting methamphetamine users to reduce their use and increase rates of abstinence. CBT can involve a range of interventions such as relapse prevention and coping skills therapy and is effectively supported by motivational interviewing. It may be delivered as outpatient counselling therapy, group or individual treatment or within residential rehabilitation treatment; CBT based brief interventions also found to be effective.</li> <li>• Contingency management uses incentives for abstinence or treatment attendance (e.g. money or vouchers) and demonstrates significant increases in treatment retention and reductions in methamphetamine use. Strong evidence for short-term effects; longer-term effects less clear.</li> <li>• Longer-term residential rehabilitation programs have been found in longitudinal studies to improve treatment retention and achieve positive effect in reducing methamphetamine use.</li> </ul>	
<b>Promising approaches: strategies with limited evidence but potential for positive effect</b>	
<ul style="list-style-type: none"> <li>• Community-wide and multi-pronged approaches to preventing methamphetamine use and related harms are provided some support by program evaluations and government reports for other substance use issues and public health concerns, and by positive outcomes from a multi-agency governmental approach to methamphetamine use in New Zealand.</li> <li>• Comprehensive education programs to reduce methamphetamine use and related harms among occasional and regular users have been demonstrated to be effective based on a small number of quasi-experimental and controlled studies.</li> <li>• Indigenous-specific, culturally targeted education campaigns and family support resources have been identified in individual program evaluations as having potential to strengthen community responses to methamphetamine use.</li> </ul>	

In particular, Indigenous Australians have been identified as requiring culturally appropriate, strengths-based and family/community integrative strategies to target methylamphetamine use (MacLean et al., 2015; Jenner & Lee, 2008). Moreover, recognising that some streams of harm reduction are not always accepted by Indigenous communities is an important principle of harm reduction overall because it aims to promote a client-centred approach (Sterren, Anderson, & Thorpe, 2006).

The approach to the issue of methylamphetamine must be innovative, tailored to the needs of the using population and informed by previous experience of illicit drug ‘epidemics’. Groves and Marmo (2009) suggest that relying solely on retributive responses such as supply reduction (examples of Project STOP and the intensification

of punitive regulation) fail to address health care and social issues. This is where harm reduction is an appropriate and viable alternative to help address methylamphetamine demand-reduction. Therefore, calls for a balanced, multi-dimensional approach which incorporates harm reduction treatment, education, health care and law enforcement would be best fit to tackle methylamphetamine demand reduction.

**2. Internet or electronic or technology enabled child sexual offending, including the child exploitation material market;**

No response is offered in relation to this term of reference.

**3. Financial crimes – primarily investment and financial market fraud and financial data theft;**

No response is offered in relation to this term of reference.

**4. The relationship between organised crime and corruption in Queensland.**

The Queensland Police Service and Crime and Corruption Commission would be better placed to answer this term of reference.

It is worth noting that the UNODC looked at 40 TOC groups and identified a number of their typologies and characteristics (United Nations Office on Drugs and Crime, 2002). They study noted that the groups were actively involved in corruption and routinely employed violence and engaged in money laundering.

One area we would draw the commission's attention to would be the failure of the Queensland Police Service to actively pursue those officers who commit criminal offences and resign before any disciplinary action can be taken (Goldsworthy & Trainor, 2014). The Police Service Administration Act provides for the service to take post-separation action against officers in certain cases. An analysis conducted in relation to four years of data showed that few officers were pursued in this manner by the service (Goldsworthy & Trainor, 2014).

**5. The extent to which entities involved in organised crime, use, or provide the services of, activities that enable or facilitate organised crime in Queensland with particular emphasis on the key enablers; the key enablers are: money laundering; cyber and technology-enabled crime; identity crime; violence and extortion; and professional facilitators, including but not limited to accountants, lawyers, financial advisers, real estate agents, IT experts, technical security experts and chemists.**

No response is offered in relation to this term of reference.

**6. The adequacy and appropriateness of the current responses of Queensland law enforcement, Queensland intelligence and Queensland prosecution agencies to prevent and combat organised crime in Queensland, including through the recovery of proceeds of crime;**

No response is offered in relation to this term of reference.

**7. The adequacy of current cross-jurisdictional arrangements, including the effective cooperation of Queensland law enforcement agencies with Commonwealth law enforcement agencies;**

No response is offered in relation to this term of reference.

**8. The adequacy of current legislation and resources available to law enforcement, criminal intelligence and prosecution agencies in Queensland to prevent and effectively investigate and prosecute organised criminal activity, including the recovery of proceeds of crime; and**

No response is offered in relation to this term of reference.

**Likely future trends in organised crime, including involvement in emerging illicit and legitimate markets.**

**The emergence of the PIED market**

In regards to emerging markets we would like to offer some commentary on the illicit steroid or performance and image enhancing drug (PIED) market in Australia. Australia is catching fewer steroid shipments at our borders – yet the numbers of national steroid seizures and arrests have risen to record highs (Australian Crime Commission, 2015b). The latest Australian Crime Commission report on organised crime in Australia, suggested the decline in what we're stopping at our borders may be due to more steroids being made locally, as well as their availability over the internet (Australian Crime Commission, 2015d).

It comes just after the release of another Crime Commission report, on illicit drugs in Australia (Australian Crime Commission, 2015b). This shows that the number of detections of performance- and image-enhancing drugs at the Australian border fell by a third in 2013-2014. That's the first decrease seen since 2004-2005. But the number of steroid-related drug seizures and arrests continued to rise across Australia, continuing a decade-long trend. Steroids are the single best-known performance- and image-enhancing drug – but that category also includes peptides and hormones.

The Australian Standard Classification of Drugs of Concern, which is used by the Crime Commission, distinguishes four classes of substances as anabolic agents and selected hormones. These are: anabolic-androgenic steroids, other anabolic agents and selected hormones, beta2-agonists, peptide hormones, mimetics and analogues (Australian Bureau of Statistics).

Steroids still account for the majority of performance- and image-enhancing drugs detected on our border, with some 77.4% being steroids, while the rest are hormones (Australian Crime Commission, 2015b). In 2013-2014, steroid border detections decreased by 21.8% and hormones by 56% (Australian Crime Commission, 2015b).

Table 5: Significant embarkation points for PIEDS into Australia 2008-20014					
2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
China	US	US	US	US	US
US	China	China	China	China	China
Thailand	Thailand	Thailand	Thailand	Thailand	Thailand
Bulgaria	UK	Canada	UK	UK	UK
India	Hong Kong		Hong Kong	Hong Kong	Hong Kong
Greece	Bulgaria			Canada	Canada
Spain				India	India
Romania				Turkey	Hong Kong
Russia				Greece	
Turkey				Moldova	
Egypt					
Lebanon					
Note: Countries are not listed in any particular order.					

Postal services remain the main method of importing such drugs, although importation by air cargo is increasing.

Table 6: Method of importation of PIEDS as a % of border detections 2010-2014.				
	2010/2011	2011/2012	2012/2013	2013/2014
Air cargo	5	3.7	7.2	11.9
Postal	91	91.5	88.2	82.4
Air passenger/crew	4	4.7	4.6	5.7
Sea cargo	0	0.1	<0.1	<0.1

The latest Crime Commission report suggests that one reason for the drop in border interceptions could be increased domestic production. There is also evidence of the domestic diversion of chemicals used to produce injectable forms of steroids, suggesting possible domestic production of these substances, which may account for some of the decrease in border detections (Australian Crime Commission, 2015d).

Internet sales are another source for the drugs, with unregulated online pharmacies offering global accessibility to the drugs. The report also notes:

*Internationally, organised crime groups are heavily involved in the trafficking of [performance- and image-enhancing drugs]. Organised crime groups, particularly outlaw motorcycle gangs and their associates, are involved in the trafficking of [performance- and image-enhancing drugs] in the Australian market. (Australian Crime Commission, 2015d)*

Despite increased media portrayals of performance- and image-enhancing drug use in professional sporting contexts, elite athletes are in fact, one of the smallest sub-groups of users (Larance, Degenhardt, Dillon, & Copeland, 2005). Instead, the new Organised Crime in Australia Report states:

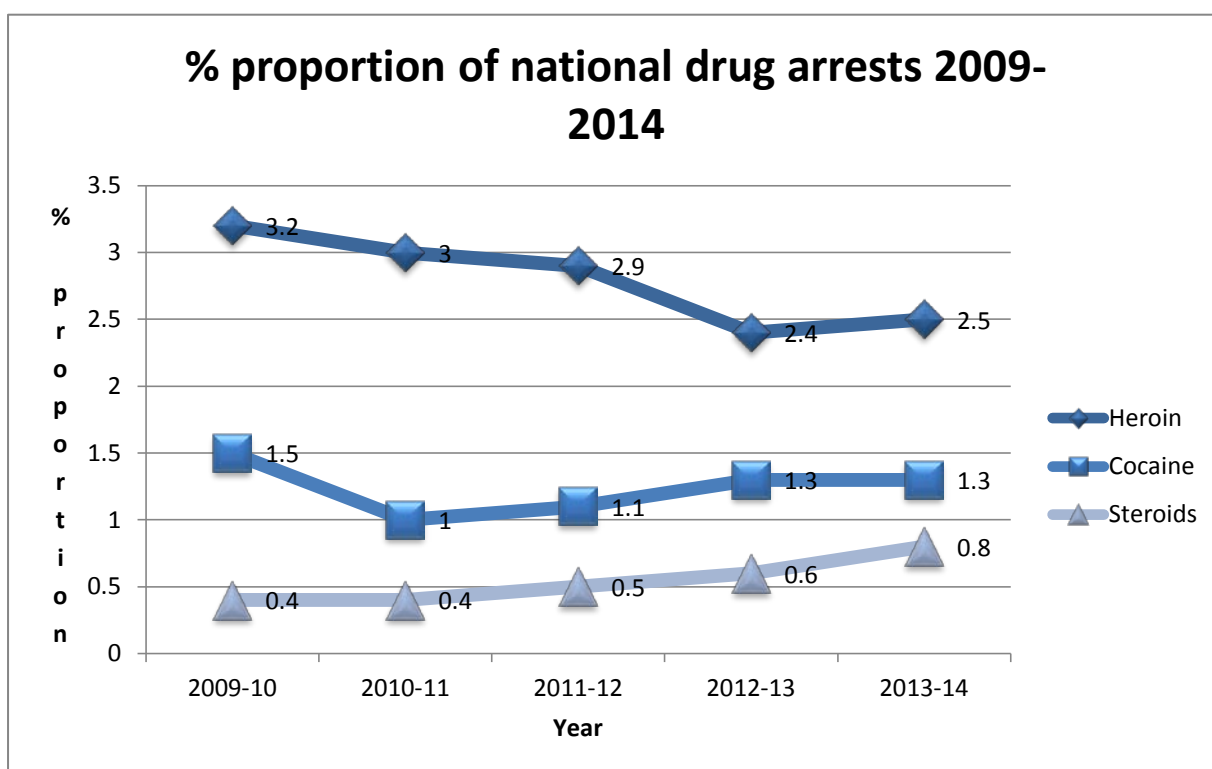
*One of the key drivers of the market is a strong youth culture, particularly prevalent among young males, that is focused on a muscular and athletic physical appearance. (Australian Crime Commission, 2015d)*

The 2012 Australian Needle and Syringe Programs Survey found that the majority of injecting users in 2012 were heterosexual males, who were typically 18 years at first drug injection – demographics that have remained stable since 2008. Males made up some 90% of consumer arrests for steroids in Australia (Iversen & Maher, 2013).

The 2013 National Drugs Strategy Household Survey found more than twice as many men as women are using performance- and image-enhancing drugs - specifically young men (Australian Institute of Health and Welfare, 2014). One Australian study suggests that use is higher among young people than the general population, with 2.4% of 12 to 17-year-olds surveyed reporting lifetime steroid use (Dunn & White, 2010). Similar recent findings in the US show that teenage steroid use was equivalent to or above use of methamphetamine, heroin and crack cocaine (National Institute on Drug Abuse, 2015).

Australia has seen substantial increases in injecting performance- and image-enhancing drug users. In particular, New South Wales saw an increase in use from 4.3% to 9.2% from 2010 to 2011, while in Queensland it jumped from 1.1% to 7.4% between 2009 and 2011 (Australian Crime Commission, 2015b).

Queensland has amended the Drugs Misuse Regulation Act (1987) to boost the scheduling of steroids to Schedule 1: the highest level for dangerous drugs in the state, carrying possession or supply penalties of up to 25 years. That move towards criminalisation is similar to tough penalties introduced in NSW and Victoria.



For the 2013-2014 period covered in the Crime Commission's illicit drugs report, there was a 7.9% increase in drug seizures, with NSW accounting for 49.6% of seizures (Australian Crime Commission, 2015b). Weight of seizures decreased by 8.6%, a trend that has been occurring since 2012-13 (Australian Crime Commission, 2015b).



But there were more arrests in Queensland than any other state (57.8%). While the number of steroid-related arrests remains comparatively low when compared to amphetamines and cannabis, steroid arrests are rapidly approaching the level of cocaine arrests. If the current trends continue steroid arrests could be expected to overtake cocaine arrests within two years and approach heroin levels within four to five years.

Arrests for steroids rose 41.6% in 2013-2014. The longer-term trend is even more concerning. Between 2009 and 2014, arrests for steroids across Australia increased by 198%, far in excess of any other drug category (Australian Crime Commission, 2015b).

<b>Table 7: Change in % re number of national arrests by drug type between 2009-2014</b>	
<b>ATS</b>	87
<b>Cannabis</b>	17
<b>Heroin</b>	0.14
<b>Cocaine</b>	18
<b>Steroids</b>	198

Australia needs to develop a more comprehensive understanding of not only why people are motivated to use these drugs, but also how users justify their now-criminalised actions in the face of escalating law enforcement. With greater knowledge about this thriving subculture, we can better address whether criminalisation or harm-reduction strategies are the most appropriate ways to tackle this complex issue.

### **The future of organised crime**

In regards to future trends in organised crime we would offer the following. As has been previously shown, while OMCGs no doubt have some involvement in the drug trade, they are not the kingpins. TOC groups are the most concerning threat to Australia when talking about organised and serious crime. They are clearly involved in the methylamphetamine market. More than 60 per cent of Australia's highest-risk criminal targets, including transnational targets, are involved in the methylamphetamine market (Australian Crime Commission, 2015c).

Unfortunately, the ACC's (2015a) report on the methylamphetamine market has a broad base and lacks detailed or overly new evidence (Australian Crime Commission, 2015a). One issue that does seem to bear consideration is the rising role of TOC groups. With so much focus on domestic gangs as the peak criminal threat, perhaps we have taken our eye off the ball of the real criminal threat outside Australia's borders. Traditional crime groups and traditional definitions of organised crime may no longer be the best way of understanding and framing our response to organised crime.

In its 2015 organised crime report, the EU's law enforcement agency, Europol, called for a new definition of organised crime (EUROPOL, 2015, p. 11). It observed:

*The group structures that dominate fictional representations of organised crime are disintegrating and will increasingly give way to an organised crime*

*landscape dominated by loose networks made up of individual criminal entrepreneurs who interact and conduct their business in a shared, and often digital, criminal underworld.*

The United Nations Office on Drugs and Crime has recognised that organised crime has diversified and become more transnational (United Nations Office on Drugs and Crime, 2015):

*Organised crime is not stagnant, but adapts as new crimes emerge and as relationships between criminal networks become both more flexible and more sophisticated, with ever-greater reach around the globe.*

In its study of 40 TOC groups the UNODC identified a number of typologies and characteristics (United Nations Office on Drugs and Crime, 2002).

<b>Table 8: UNDOC (2002) Transnational Organised Crime Typologies</b>		
<b>Type of TOC</b>	<b>Characteristics</b>	<b>Example of type</b>
<b>Criminal network</b>	Defined by the activities of the key members Prominence in the network determined by position and skills, personal loyalties Coalescence around criminal projects Low public profile Network reforms after exit of key individuals	Dutch and Nigerian drug syndicates
<b>Standard rigid hierarchy</b>	Single leader Defined hierarchy Strong system of internal discipline Often strong ethnic and social identity Violence essential to activities Influence or control over a defined territory	Crime gangs from Colombia and Eastern Europe
<b>Regional hierarchy</b>	Single leadership structure Line of command from centre Degree of autonomy at regional level Geographic regional distribution Multiple activities Often strong social or ethnic identity Violence essential to activities	Outlaw Motorcycle Gangs
<b>Clustered hierarchy</b>	Number of criminal groups Governing arrangement for the groups present Cluster has stronger identity than the groups that make it up Degree of autonomy from groups within Formation strongly linked to social/historical context	South African prison gangs

<b>Core group</b>	Core group surrounded by loose network Limited number of individuals Tightly organised flat structure Small size maintains internal discipline Seldom has ethnic or social identity	Dutch people traffickers
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Of these TOC groups, 70 percent carried out criminal activity in three or more countries. Most were involved in multiple criminal enterprises (United Nations Office on Drugs and Crime, 2002). They were actively involved in corruption and routinely employed violence and engaged in money laundering.

The NSW Crime Commission acknowledges that "organised crime groups undertake a wider range of criminal activities with greater complexity" (New South Wales Crime Commission, 2013, p. 3).

Today's organised crime occurs through loose and undefined networks made up of criminal entrepreneurs and freelancers with little concern for group branding or loyalty. Their business model is increasingly digital, concealed by legitimate activity and global in reach.

Australia's geographic isolation is no longer the buttress that it once was. Globalisation has made us an attractive and available target. Australia's approach to organised crime must move in sync with global activity and must be evidence-based. Queensland will be no exception to this trend.



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